

## HOUSE BILL NO. 482

INTRODUCED BY LINDEEN, LARSON, LAKE, BERGREN, TESTER, SINRUD, WITT, BALES,  
MATTHEWS, MAEDJE, LANGE, STAHL, RIPLEY

A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE AMOUNT OF COAL SEVERANCE TAX  
ALLOCATED TO AN ACCOUNT IN THE STATE SPECIAL REVENUE FUND TO BE ALLOCATED BY THE  
LEGISLATURE FOR LOCAL IMPACTS, PROVISION OF BASIC LIBRARY SERVICES FOR THE RESIDENTS  
OF ALL COUNTIES THROUGH LIBRARY FEDERATIONS, AND FOR PAYMENT OF THE COSTS OF  
PARTICIPATING IN REGIONAL AND NATIONAL NETWORKING, CONSERVATION DISTRICTS, AND THE  
MONTANA GROWTH THROUGH AGRICULTURE ACT; AMENDING SECTION 15-35-108, MCA; AND  
PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 15-35-108, MCA, is amended to read:

**"15-35-108. (Temporary) Disposal of severance taxes.** Severance taxes collected under this chapter  
must, in accordance with the provisions of 15-1-501, be allocated as follows:

(1) Fifty percent of total coal severance tax collections is allocated to the trust fund created by Article  
IX, section 5, of the Montana constitution. The trust fund money must be deposited in the fund established under  
17-6-203(6) and invested by the board of investments as provided by law.

(2) ~~For the fiscal year ending June 30, 2003, the amount of 10% and for fiscal years beginning on or~~  
~~after July 1, 2003, the~~ The amount of 12% of coal severance tax collections is allocated to the long-range  
building program account established in 17-7-205.

(3) ~~For the fiscal year ending June 30, 2003, the amount of 6.01% and for fiscal years beginning on or~~  
~~after July 1, 2003, the~~ The amount of ~~7.75%~~ 8.36% must be credited to an account in the state special revenue  
fund to be allocated by the legislature for local impacts, provision of basic library services for the residents of  
all counties through library federations and for payment of the costs of participating in regional and national  
networking, conservation districts, and the Montana Growth Through Agriculture Act. Expenditures of the  
allocation may be made only from this account. Money may not be transferred from this account to another  
account other than the general fund. Any unreserved fund balance at the end of each fiscal year must be

1 deposited in the general fund.

2 (4) ~~For fiscal years beginning on or after July 1, 2003, the~~ The amount of 1.27% must be allocated to  
3 a permanent fund account for the purpose of parks acquisition or management. Income from this permanent  
4 fund account, excluding unrealized gains and losses, must be appropriated for the acquisition, development,  
5 operation, and maintenance of any sites and areas described in 23-1-102.

6 (5) The amount of 0.95% must be allocated to the debt service fund type to the credit of the renewable  
7 resource loan debt service fund.

8 (6) ~~For fiscal years beginning on or after July 1, 2003, the~~ The amount of 0.63% must be allocated to  
9 a trust fund for the purpose of protection of works of art in the capitol and for other cultural and aesthetic projects.  
10 Income from this trust fund, excluding unrealized gains and losses, must be appropriated for protection of works  
11 of art in the state capitol and for other cultural and aesthetic projects.

12 (7) (a) Subject to subsections (7)(b) and (7)(c), all other revenue from severance taxes collected under  
13 the provisions of this chapter must be credited to the general fund of the state.

14 (b) The interest income from \$140 million of the coal severance tax permanent fund that is deposited  
15 in the general fund is statutorily appropriated, as provided in 17-7-502, on an annual basis as follows:

16 (i) \$65,000 to the cooperative development center;

17 (ii) ~~for fiscal years beginning on or after July 1, 2003,~~ \$1.25 million for the growth through agriculture  
18 program provided for in Title 90, chapter 9;

19 (iii) to the department of commerce:

20 (A) \$125,000 for a small business development center;

21 (B) \$50,000 for a small business innovative research program;

22 (C) \$425,000 for certified regional development corporations;

23 (D) \$200,000 for the Montana manufacturing extension center at Montana state university-Bozeman;

24 and

25 (E) \$300,000 for export trade enhancement; and

26 (iv) \$600,000 to the department of administration for the purpose of reimbursing tax increment financing  
27 industrial districts as provided in 7-15-4299. Reimbursement must be made to qualified districts on a proportional  
28 basis to the loss of taxable value as a result of Chapter 285, Laws of 1999, and as documented by the  
29 department of revenue. This documentation must be provided to the budget director and to the legislative fiscal  
30 analyst. The reimbursement may not be used to pay debt service on tax increment bonds to the extent that the

bonds are secured by a guaranty, a letter of credit, or a similar arrangement provided by or on behalf of an owner of property within the district.

(c) ~~Beginning July 1, 2003, there~~ There is transferred annually from the interest income referred to in subsection (7)(b) \$3.65 million to the research and commercialization state special revenue account created in 90-3-1002. (Terminates June 30, 2005--sec. 10(2), Ch. 10, Sp. L. May 2000; sec. 8(1), Ch. 12, Sp. L. August 2002.)

**15-35-108. (Effective July 1, 2005) Disposal of severance taxes.** Severance taxes collected under this chapter must, in accordance with the provisions of 15-1-501, be allocated as follows:

(1) Fifty percent of total coal severance tax collections is allocated to the trust fund created by Article IX, section 5, of the Montana constitution. The trust fund money must be deposited in the fund established under 17-6-203(6) and invested by the board of investments as provided by law.

(2) ~~Twelve percent~~ The amount of 12% of coal severance tax collections is allocated to the long-range building program account established in 17-7-205.

(3) The amount of ~~7.75%~~ 8.36% must be credited to an account in the state special revenue fund to be allocated by the legislature for local impacts, provision of basic library services for the residents of all counties through library federations and for payment of the costs of participating in regional and national networking, conservation districts, and the Montana Growth Through Agriculture Act. Expenditures of the allocation may be made only from this account. Money may not be transferred from this account to another account other than the general fund. Any unreserved fund balance at the end of each fiscal year must be deposited in the general fund.

(4) The amount of 1.27% must be allocated to a permanent fund account for the purpose of parks acquisition or management. Income from this permanent fund account, excluding unrealized gains and losses, must be appropriated for the acquisition, development, operation, and maintenance of any sites and areas described in 23-1-102.

(5) The amount of 0.95% must be allocated to the debt service fund type to the credit of the renewable resource loan debt service fund.

(6) The amount of 0.63% must be allocated to a trust fund for the purpose of protection of works of art in the capitol and for other cultural and aesthetic projects. Income from this trust fund account, excluding unrealized gains and losses, must be appropriated for protection of works of art in the state capitol and for other cultural and aesthetic projects.

(7) (a) Subject to subsection (7)(b), all other revenue from severance taxes collected under the

provisions of this chapter must be credited to the general fund of the state.

(b) The interest income from \$140 million of the coal severance tax permanent fund that is deposited in the general fund is statutorily appropriated, as provided in 17-7-502, on an annual basis as follows:

(i) \$65,000 to the cooperative development center;

(ii) \$1.25 million for the growth through agriculture program provided for in Title 90, chapter 9;

(iii) \$3.65 million to the research and commercialization state special revenue account created in 90-3-1002;

(iv) to the department of commerce:

(A) \$125,000 for a small business development center;

(B) \$50,000 for a small business innovative research program;

(C) \$425,000 for certified regional development corporations;

(D) \$200,000 for the Montana manufacturing extension center at Montana state university-Bozeman;

and

(E) \$300,000 for export trade enhancement. (Terminates June 30, 2010--sec. 6, Ch. 481, L. 2003.)

**15-35-108. (Effective July 1, 2010) Disposal of severance taxes.** Severance taxes collected under this chapter must, in accordance with the provisions of 15-1-501, be allocated as follows:

(1) Fifty percent of total coal severance tax collections is allocated to the trust fund created by Article IX, section 5, of the Montana constitution. The trust fund money must be deposited in the fund established under 17-6-203(6) and invested by the board of investments as provided by law.

(2) ~~Twelve percent~~ The amount of 12% of coal severance tax collections is allocated to the long-range building program account established in 17-7-205.

(3) The amount of ~~7.75%~~ 8.36% must be credited to an account in the state special revenue fund to be allocated by the legislature for local impacts, provision of basic library services for the residents of all counties through library federations and for payment of the costs of participating in regional and national networking, conservation districts, and the Montana Growth Through Agriculture Act. Expenditures of the allocation may be made only from this account. Money may not be transferred from this account to another account other than the general fund. Any unreserved fund balance at the end of each fiscal year must be deposited in the general fund.

(4) The amount of 1.27% must be allocated to a permanent fund account for the purpose of parks acquisition or management. Income from this permanent fund account, excluding unrealized gains and losses, must be appropriated for the acquisition, development, operation, and maintenance of any sites and areas

described in 23-1-102.

(5) The amount of 0.95% must be allocated to the debt service fund type to the credit of the renewable resource loan debt service fund.

(6) The amount of 0.63% must be allocated to a trust fund for the purpose of protection of works of art in the capitol and for other cultural and aesthetic projects. Income from this trust fund account, excluding unrealized gains and losses, must be appropriated for protection of works of art in the state capitol and for other cultural and aesthetic projects.

(7) All other revenue from severance taxes collected under the provisions of this chapter must be credited to the general fund of the state."

**NEW SECTION.** **Section 2. Effective date.** [This act] is effective July 1, 2005.

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